

STATE OF CALIFORNIA  
Budget Change Proposal - Cover Sheet  
DF-46 (REV 08/15)

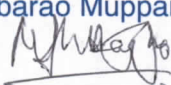
Fiscal Year 2016/17	Business Unit 8880	Department Financial Information System for California (FISCAL)	Priority No. 2
Budget Request Name 8880-002-BCP-DP-2016-GB		Program <b>6890 - STATEWIDE SYSTEMS DEVELOPMENT</b>	Subprogram

Budget Request Description  
Special Project Report 6 - Department

Budget Request Summary

The Financial Information System for California (FISCAL) Project prepared updated total Project costs in Special Project Report (SPR) 6, which represent an increase in Project expenditures of \$110.3 million over SPR 5 and extend the FISCAL Project's overall Design, Development and Implementation (DD&I) phase by 12 months, implementing the final release of functionality and remaining state entities that are not statutorily excluded or exempt in July 2018. Additionally, 12 months of Knowledge Transfer extends the total Project schedule to June 2019.

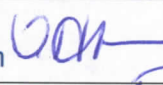


SPR 6 identified a total fiscal year (FY) 2016/17 budget of \$135 million (\$96.2 million General Fund (GF), \$18.3 million Central Service Cost Recovery Fund (CSCRF) and \$20.5 million various special funds). The request for funding FISCAL has been broken into two separate Budget Change Proposal (BCP) requests to identify the Project costs and the establishment of the Department of FISCAL. The FY 2016/17 Departmental costs requested are \$42.6 million (\$24.3 million GF and \$18.3 million CSCRF).

Requires Legislation <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed various	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Subbarao Mupparaju 	Date 01/04/2016

For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance.

☐ FSR ☒ SPR Project No. 8860-30 Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By Tiffany Henderson 	Date 12/31/15	Reviewed By Jennifer Carver 	Date 12/31/15
Department Director Miriam Barcellona Ingenito 	Date 12/31/15	Agency Secretary N/A	Date

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☒ Workload Budget per Government Code 13308.05

PPBA  Date submitted to the Legislature 1/7/16

## BCP Fiscal Detail Sheet

BCP Title: Special Project Report 6-Department

DP Name: 8880-002-BCP-DP-2016-GB

### Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Positions - Permanent	0.0	116.2	31.0	93.0	91.0	0.0
Positions - Temporary	0.0	-0.2	0.0	0.0	0.0	0.0
<b>Total Positions</b>	<b>0.0</b>	<b>116.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Salaries and Wages						
Earnings - Permanent	0	9,521	0	0	0	0
Earnings - Temporary Help	0	640	0	0	0	0
Overtime/Other	0	432	0	0	0	0
<b>Total Salaries and Wages</b>	<b>\$0</b>	<b>\$10,593</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Total Staff Benefits	0	5,132	0	0	0	0
<b>Total Personal Services</b>	<b>\$0</b>	<b>\$15,725</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Operating Expenses and Equipment						
5301 - General Expense	0	1,333	0	0	0	0
5302 - Printing	0	194	0	0	0	0
5304 - Communications	0	363	0	0	0	0
5306 - Postage	0	213	0	0	0	0
5320 - Travel: In-State	0	236	0	0	0	0
5322 - Training	0	707	0	0	0	0
5324 - Facilities Operation	0	2,856	0	0	0	0
5340 - Consulting and Professional Services -	0	429	0	0	0	0
5340 - Consulting and Professional Services -	0	11,493	0	0	0	0
5344 - Consolidated Data Centers	0	1,297	0	0	0	0
5346 - Information Technology	0	3,213	0	0	0	0
5368 - Non-Capital Asset Purchases - Equipment	0	-1	0	0	0	0
539X - Other	0	0	48,197	73,644	65,774	65,774
<b>Total Operating Expenses and Equipment</b>	<b>\$0</b>	<b>\$22,333</b>	<b>\$48,197</b>	<b>\$73,644</b>	<b>\$65,774</b>	<b>\$65,774</b>
<b>Total Budget Request</b>	<b>\$0</b>	<b>\$38,058</b>	<b>\$48,197</b>	<b>\$73,644</b>	<b>\$65,774</b>	<b>\$65,774</b>

### Fund Summary

Fund Source - State Operations						
0001 - General Fund	0	24,330	30,109	44,614	40,128	40,128
9740 - Central Service Cost Recovery Fund	0	13,728	18,088	29,030	25,646	25,646
<b>Total State Operations Expenditures</b>	<b>\$0</b>	<b>\$38,058</b>	<b>\$48,197</b>	<b>\$73,644</b>	<b>\$65,774</b>	<b>\$65,774</b>
<b>Total All Funds</b>	<b>\$0</b>	<b>\$38,058</b>	<b>\$48,197</b>	<b>\$73,644</b>	<b>\$65,774</b>	<b>\$65,774</b>

### Program Summary

Program Funding						
6890 - Statewide Systems Development	0	38,058	48,197	73,644	65,774	65,774
<b>Total All Programs</b>	<b>\$0</b>	<b>\$38,058</b>	<b>\$48,197</b>	<b>\$73,644</b>	<b>\$65,774</b>	<b>\$65,774</b>



## Analysis of Problem

### A. Budget Request Summary

The Financial Information System for California (FISCAL) Project prepared updated total Project costs in Special Project Report (SPR) 6, which represent an increase in Project expenditures of \$110.3 million over SPR 5 and extend the FISCAL Project's overall Design, Development and Implementation (DD&I) phase by 12 months, implementing the final release of functionality and remaining state entities that are not statutorily excluded or exempt in July 2018. Additionally, 12 months of Knowledge Transfer extends the total Project schedule to June 2019.

In fiscal year (FY) 2016/17, FISCAL requests \$45.1 million to support the changes identified in SPR 6. This brings the total FY 2016/17 budget to \$135 million (\$96.2 million General Fund (GF), \$18.3 million Central Service Cost Recovery Fund (CSCRF) and \$20.5 million various special funds). This request has been broken into two separate Budget Change Proposal (BCP) requests to identify the Project costs and the establishment of the Department of FISCAL.

The FY 2016/17 Departmental costs requested are \$42.6 million (\$24.3 million GF and \$18.3 million CSCRF). The Project costs requested of \$92.4 million (\$71.9 million GF and \$20.5 million various special funds) are being submitted in a companion BCP.

### B. Background/History

Historically, FISCAL, in its entirety, has been a statewide Information Technology (IT) project approved through a Department of Finance (DOF) Feasibility Study Report in 2005 and subsequent SPRs. Since then, it has gradually transitioned away from the DOF, becoming its own entity, with increasingly more authority, effectively transitioning to a fully functioning state Department. Total project costs included departmental functions such as:

- Human Resources
- Accounting
- Budgeting
- Contracts and Procurement
- Business Services

A portion of these functions were identified as part of the Maintenance and Operations costs upon completion of the DD&I.

### C. State Level Considerations

A fully functioning state department is required to maintain the FISCAL system detailed in the State Level Considerations of the companion BCP.

### D. Justification

During the development of SPR 6, existing positions and costs were re-evaluated and redirected to align with Project or Departmental functions. Additional resources are needed to fully staff the units where existing staff could not be redirected.

Legislation will also be required for FY 2016/17 to:

- Establish the Department of FISCAL effective July 1, 2016.
- Establish the Director of the Department of FISCAL, to be appointed by the Governor, will oversee the day-to-day functions of the Department of FISCAL and the implementation of the FISCAL Project documents.
- Change the interim cost allocation plan to fund the FISCAL Project and Department of FISCAL.
- Make all automated accounting systems referred to in Government Code Section 13000 inoperative after required data and departments using the system have transitioned to the FISCAL System.

## Analysis of Problem

### New Department Positions Requested:

Department Positions requested by FY are as follows:

Division / Unit	FY 2016/17	FY 2017/18	FY 2018/19
Project Management Division / FISCal Service Center	19.0	8.0	10.0
Administrative Services Division / Human Resources	2.0	0.0	0.0
Administrative Services Division / Rate Recovery Unit	2.0	0.0	0.0
Technology Division / TAU - Software Platform Services	0.0	0.0	1.0
Technology Division / TIG - Infrastructure Services	0.0	0.0	2.0
Technology Division / Infrastructure & Platform Services	0.0	0.0	1.0
Technology Division / Application Services - PeopleSoft & Primavera	0.0	0.0	2.0
<b>Total</b>	<b>23.0</b>	<b>8.0</b>	<b>16.0</b>

Detailed charts with positions requested for each area follow:

#### FISCal Service Center (FSC)

FY 2016/17

<u>ClassName</u>	<u>PY</u>	<u>Effective Date</u>
Assoc Acctng Analyst	1.0	7/1/2016
Asst Information Systems Analyst	11.0	7/1/2016
Sr Information Systems Analyst (Sup)	3.0	7/1/2016
Staff Informations Systems Analyst (Spec)	4.0	7/1/2016
<b>Total</b>	<b>19.0</b>	

FY 2017/18

<u>ClassName</u>	<u>PY</u>	<u>Effective Date</u>
Assoc Acctng Analyst	6.0	7/1/2017
Staff Informations Systems Analyst (Spec)	2.0	7/1/2017
<b>Total</b>	<b>8.0</b>	

FY 2018/19

<u>ClassName</u>	<u>PY</u>	<u>Effective Date</u>
Asst Information Systems Analyst	10.0	7/1/2018
<b>Total</b>	<b>10.0</b>	

The FSC provides service desk support directly to end users for incident management, service request and restoration, change and configuration requests, and access and security. In addition, the FSC provides service management analysis and reports, post Go-Live support, change request support, and month-end-and year-end-close departmental support. Additional staff will be required to maintain an adequate level of these services to the additional 125 state entities scheduled to on-board in the planned releases, detailed in the companion BCP.

#### Administrative Services Division – Human Resources Office (HRO)

FY 2016/17



## Analysis of Problem

<u>ClassName</u>	<u>PY</u>	<u>Effective Date</u>
Assoc Pers Analyst	1.0	7/1/2016
Pers Spec	1.0	7/1/2016
<b>Total</b>	<b>2.0</b>	

The HRO provides comprehensive human resources support for all employee's within the Department of FISCal. The HRO manages an extensive recruitment program, determines appropriate position classification and compensation levels, administers employee benefits, and provides ongoing management advice and consultation concerning human resource issues. The HRO also oversees the FISCal Employee Assistance Program, Employee Relations, Talent Management, and Return to Work Programs.

### Administrative Services Division – Financial Operations Office, Rate Recovery Unit (RRU)

FY 2016/17

<u>ClassName</u>	<u>PY</u>	<u>Effective Date</u>
Assoc Gov Program Analyst	2.0	7/1/2016
<b>Total</b>	<b>2.0</b>	

Government Code Section 11874 mandates the Department of FISCal to establish and assess fees and a payment schedule for departments and agencies for a fair share of the DD&I of the FISCal system. The RRU is responsible for the development and implementation of these fees. In addition, this unit will monitor and track revenue and services provided, identify and report fluctuations and review rate-setting methodology effectiveness. Using cost accounting, identify and record all costs for providing services (costs to be recovered), create and issue invoices to Departments and handle accounts receivable and cashing related to these duties.

### Technology Division

FY 2018/19

<u>ClassName</u>	<u>PY</u>	<u>Effective Date</u>	<u>Role</u>	<u>Unit</u>
DP MGR IV	1.0	1/1/2019	Asst Deputy Director	Infrastructure and Platform Services
Sr Programmer Analyst - Spec	1.0	2/1/2019	PeopleSoft Developer	Application Services - PeopleSoft and Primavera
Systems Software Spec III-Tech	1.0	1/1/2019	Primavera Administrator	Application Services - PeopleSoft and Primavera
Systems Software Spec II-Tech	1.0	7/1/2018	Monitoring Tools Admin	Software Platform Services
Systems Software Spec II-Tech	1.0	7/1/2018	Linux Server Support	Infrastructure Services
Systems Software Spec I-Tech	1.0	2/1/2019	Linux Server Support	Infrastructure Services
<b>Total</b>	<b>6.0</b>			

The roles and units identified above have been described in detail in the companion BCP.

## E. Outcomes and Accountability

This BCP establishes a formal administrative structure that will be responsible for the successful implementation of the FISCal project. Transitioning the Project into a formal department with a Director appointed the Governor adds a higher level of visibility and accountability to this critical effort as it transitions from an "IT project" into a permanent center for government operations.

## F. Analysis of All Feasible Alternatives

Alternative #1 – Approve the budget request to formally establish of the Department of FISCal.

Pros:

## **Analysis of Problem**

- Provides a permanent administrative structure for the FISCal System.
- Assures responsibility for FISCal system functionality as portions of the FISCal system are implemented.
- Provides for all maintenance and operation of the FISCal System.
- Expands service desk support to meet the on-coming departments outlined in the companion BCP.
- Establishes a mechanism to assess fees and create a payment schedule for departments and agencies to utilize the FISCal system.

### **Cons:**

- Additional costs related to increased staffing levels.

Alternative #2 – Deny the budget request to formally establish of the Department of FISCal.

### **Pros:**

- No additional resources.

### **Cons:**

- The Department of FISCal will be unable to meet its statutory responsibilities..
- Potentially affect the outcome of the FISCal Project,.
- The Service Center will be unable to provide a sufficient level of service desk support for future release departments.
- Unable to establish and assess fees and a payment schedule to ensure sufficient funding sources for the FISCal Project.

Alternative #3 – Reduce the budget request to formally establish of the Department of FISCal,.

### **Pros:**

- Reduced resources requested.

### **Cons:**

- The Department of FISCal's ability to meet its statutory responsibilities will be compromised...
- Potentially affect the outcome of the FISCal Project.
- Impact the level of service desk support provided by the FSC for future release departments.
- Unable to establish and assess fees and a payment schedule in a timely manner to ensure sufficient funding sources for the FISCal Project.

## **G. Implementation Plan**

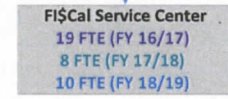
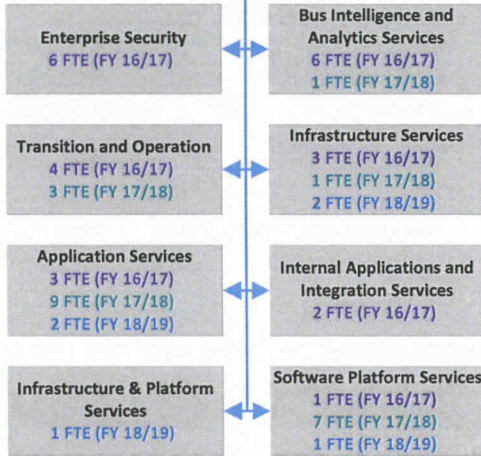
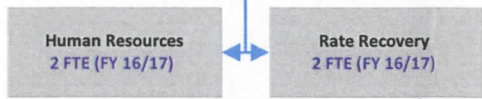
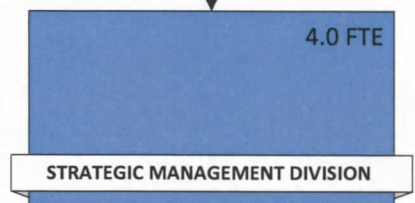
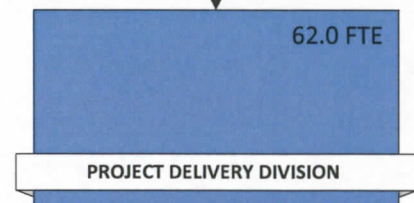
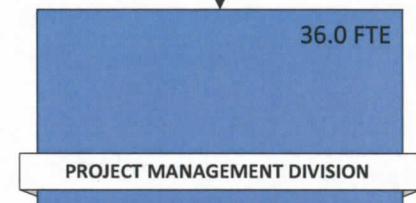
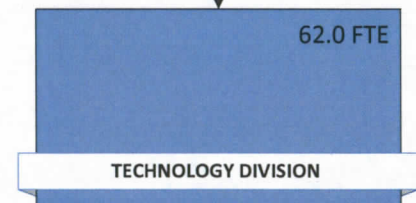
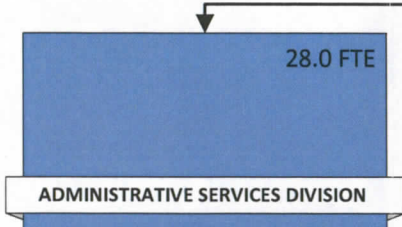
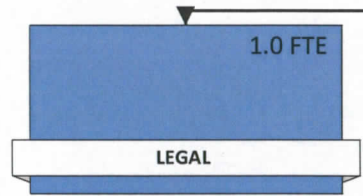
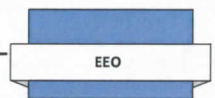
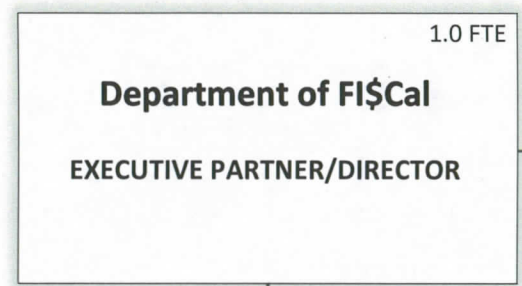
With the approval of Alternative #1, the Department of FISCal will formally be established on July 1, 2016.

## **H. Supplemental Information**

## **I. Recommendation**

Approve Alternative #1 to effectively establish the Department of FISCal.





New Positions by FY  
FY 16/17  
FY 17/18  
FY 18/19